



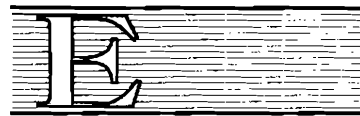
**UNITED NATIONS**

**ECONOMIC AND SOCIAL COUNCIL**

**ECONOMIC COMMISSION FOR AFRICA**

Second Meeting of the Ministerial Follow-up Committee  
of the Conference of Ministers responsible for  
Economic and Social Development and Planning

Abuja, Nigeria  
4-5 May 2000



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**DRAFT REPORT**



### **A. Attendance**

1. The second session of the Ministerial Follow-up Committee of the Conference of Ministers responsible for economic and social development and planning was hosted by the Ministry of Cooperation and Integration in Africa in Abuja, the Federal Republic of Nigeria, from 4 to 5 May 2000. The session was formally opened by H.E. Mr. Djibril Martins Kuye, Minister of State for Finance of the Federal Republic of Nigeria. Mr. K.Y. Amoako, Executive Secretary of the Economic Commission for Africa (ECA), delivered a statement at the opening ceremony of the meeting. A statement was also delivered by Mr. Franck Ofei, Deputy Executive Secretary of the Economic Community of West African States (ECOWAS) on behalf of the Executive Secretary, Mr. Lansana Kouyate. The meeting was held at the ECOWAS.
2. The Ministerial Follow-up Committee is made up of the 10 member States of the Commission consisting of the current and immediate past bureaux of the ECA Conference of Ministers responsible for economic and social development and planning. The meeting was attended by representatives of the following member States: Cameroon, Morocco, Namibia, Nigeria, Tunisia, Uganda and the United Republic of Tanzania. The following member States were not represented: Burkina Faso, the Republic of Congo and South Africa.
3. The Organization of African Unity (OAU) and the African Development Bank (ADB) were represented.
4. Observers were present from the following intergovernmental organizations: Arab Maghreb Union (AMU), Economic Community of Central African States (ECCAS) and ECOWAS.
5. The United Nations Development Programme (UNDP) was represented.



6. The current bureau of the Conference of Ministers which presided over the proceedings of the meeting is composed as follows:

Chairman:	Nigeria
First Vice-Chairman:	Namibia
Second Vice-Chairman:	Morocco
Third Vice-Chairman:	Cameroon
Rapporteur:	The United Republic of Tanzania

#### **B. Agenda and Organization of Work**

7. The meeting adopted the following agenda:

1. Opening of the meeting.
2. Adoption of the agenda and organization of work.
3. Ministerial Policy Debate on:
  - New Directions for Regional Cooperation and Integration in Africa.
  - Mid-Term Review of the World Summit for Social Development: the African Experience.
  - Medium-Term Plan for the Economic Commission for Africa: 2002-2005.
4. Consideration of the Report of the second preparatory meeting of Experts of the Ministerial Follow-up Committee.



5. Any other business.
6. Adoption of the report.
7. Closure of the meeting.

### **C. Account of Proceedings**

#### **Opening addresses**

8. In his opening statement, H.E. Mr. Djibril Martins Kuye, Minister of State for Finance, on behalf of the President of the Federal Republic of Nigeria, H.E. Chief Olusegun Obasanjo, welcomed participants to Abuja and to the second session of the Ministerial Follow-up Committee of the Economic Commission for Africa (ECA) Conference of Ministers. He conveyed to the meeting the greetings of H.E. Chief Dapo Sarumi, Minister of Cooperation and Integration in Africa of the Federal Republic of Nigeria who was not able to attend the opening ceremony. Mr. Kuye expressed his sincere appreciation and gratitude to Mr. K.Y. Amoako, Executive Secretary of ECA and his staff for offering Nigeria the opportunity to host this important meeting. He reassured the Ministerial Follow-up Committee that Nigeria, as current Chairman of the ECA Conference of Ministers, would live up to the expectations placed on her by African member States. He said that Nigeria was assuming this important leadership in the context of his country's successful transition to Civilian Administration on 29 May 1999. He commended the quality of the report of the preparatory meeting of experts and the far-reaching recommendations contained therein. Mr. Kuye invited the Ministerial Follow-up Committee to examine and discuss the issues raised in that report, as well as the working documents prepared by the secretariat. These documents would serve the Ministers in good stead in their deliberations and enable them to come up with decisions aimed at re-focusing future development of the continent.





9. The Honourable Minister noted with satisfaction that ECA's initiative to prepare a Report on the Status of Regional Cooperation and Integration in Africa would be very useful for charting new directions for Africa's integration in the face of emerging challenges in the international economic arena. Referring to the Follow-up to the World Social Summit, he underscored the importance of the discussions that would take place on this agenda item of the meeting as the outcome of the deliberations would contribute to Africa's input to the special session of the General Assembly on the Mid-Decade Review of the Social Summit. He said the consideration of all items on the agenda of the meeting provided a unique opportunity for the Ministerial Follow-up Committee to come up with recommendations for policies and strategies aimed at ensuring the complete emancipation of Africa from the various socio-economic and political problems facing the continent. In this connection, he informed the meeting that with the successful institutionalization of democracy, Nigeria was now fully mobilized to effectively contribute to the promotion of sustainable development in the continent. The Nigerian Government had embarked on the implementation of important policies and programmes at the national level and had been cooperating with other member countries in the West African subregion to promote and strengthen the integration of Africa in general and the subregion in particular. In this regard, he said that the initiative which Nigeria and Ghana had spear-headed to fast-track subregional integration had been widely acclaimed within and outside Africa. Other West African States had also decided to join the initiative. He hoped that lessons learnt from the Nigeria-Ghana initiative would be of interest to other subregional economic groupings in order to deepen regional integration in Africa.

10. The Honourable Minister said that this goal could only be achieved with the cooperation of not only member States but also that of the ECA, OAU and all international, bilateral and multilateral institutions. He, therefore, urged these institutions and development partners to provide to African countries and their intergovernmental organizations the necessary support and cooperation.

11. In his statement, the Executive Secretary of ECA, Mr. K.Y. Amoako welcomed participants to the second session of the Ministerial Follow-up Committee. He expressed his deep appreciation to the Government and people of the Federal Republic of Nigeria for



hosting this meeting, for their hospitality to the participants since their arrival, and for the excellent arrangements made for the meeting. He also thanked the Executive Secretary of ECOWAS, Ambassador Lansana Kouyate for the support that ECOWAS had provided towards the meeting.

12. In assessing the recent past in Africa's economic performance, the Executive Secretary noted that the continent was now in its fifth year of economic recovery with growth in GDP outstripping population growth for the first time in many years. He also noted that most of the best performing countries benefited from the cessation of civil wars, greater stability, and economic and political reforms. However, he said that economic growth remained far below the level required to make any meaningful dent on the incidence of poverty in Africa. He, therefore, stressed the need to increase substantially the African economic growth rate in order to meet the internationally agreed poverty reduction targets. He said that growth must be complemented with policies that deliberately attack poverty and promote education, health, and social safety needs. In this regard, he informed participants that the next issue of ECA's Economic Report on Africa, 2000 would highlight a number of these challenges which had constrained Africa's development, namely: inadequate levels of human development as evidenced by education and health indicators; inadequate social and physical infrastructure; low value-added capacity; unfavourable terms of trade; small and fragmented national markets; limited access to western markets; the debt overhang; lack of research and application of technology; low savings and lack of entrepreneurship; an underdeveloped agricultural sector dominated by subsistence farming; conflicts; HIV/AIDS, and natural calamities, ranging from droughts to floods.

13. He suggested some of the key strategic interventions required to face this complex list of challenges. He particularly underscored the important role of women as equal participants in development, and the unprecedented opportunities for Africa to tap into the global system of information and knowledge if member States were to avoid further social and economic marginalization. In this regard, he underlined the important catalytic role ECA played to forge ahead with these strategic issues. He recalled that the Commission had created the African Development Forum (ADF) to establish an African-driven development agenda that reflected a consensus among major partners and that led to specific



programmes for country implementation. ADF '99 was on the information age. The second ADF would be held in October 2000 on the theme, "AIDS: The Greatest Challenge to Leadership in Africa".

14. The Executive Secretary said that any credible strategy to accelerate Africa's development must include the promotion of regional cooperation and integration. In that regard, ECA was actively cooperating with the OAU and ADB in implementing the Abuja Treaty. To achieve this, ECA's Subregional Development Centres (SRDCs) were strengthened to provide technical support to the regional economic communities (RECs) in the various subregions of the continent, most of which ECA was instrumental in establishing. However, he observed that in spite of the various experiments on regional integration, the process remained too slow. With regard to the mid-term review of the implementation of the Programme of Action adopted by the World Social Summit, the Executive Secretary informed participants that ECA had in the past two years organized three subregional follow-up meetings. These meetings provided a platform for Africa to review progress in each of the 10 areas of the Commitments undertaken at Copenhagen.

15. Concerning the issues of the ECA's proposed Medium-Term Plan for the period 2002-2005 and the note on the pledging conferences, Mr. Amoako requested the Committee to consider the recommendations contained in the related reports before it. In this regard, he noted with satisfaction that the preparatory meeting of experts had already undertaken an in-depth examination of all the issues of the agenda and paid tribute to their very impressive work.

16. In an opening address read on his behalf by Mr. Franck Ofei, ECOWAS Deputy Executive Secretary in charge of Economic Affairs, the ECOWAS Executive Secretary, Mr. Lansana Kouyate, who was outside the country on an official assignment, welcomed participants to ECOWAS Headquarters and said that the very hosting of the meeting of the Ministerial Follow-up Committee on the premises of one of the regional economic communities (RECs) in Africa was symbolic as member States strived to deepen regional cooperation and integration in the continent. He said that the focus of the regional cooperation and integration programme of ECOWAS was on such core national economic



management issues as harmonization of macroeconomic policies and promotion of sound economic performance. ECOWAS was working together with West African policymakers within a regional framework with the view to enhancing the long-term prospects of national economies. To that extent, he observed that ECOWAS was a symbol of the current trend towards the collective management of the development process in Africa.

17. Recognizing that progress in integration had not been uniform in the subregions of the continent, he suggested that the meeting focus on the factors that had hampered the integration process in Africa. In this regard, he underlined the positive role of ECA in deepening regional integration in Africa. He underscored the support ECA continued to provide to RECs and welcomed ECA's initiative to strengthen its subregional development centres (SRDCs). He observed that these centres could be very useful if the working relations between the RECs, the SRDCs, ECA headquarters and member States were enhanced and made more functional. He recommended the strengthening of partnership arrangements between ECOWAS and the SRDC for West Africa located in Niamey (the Niger) so that that Centre would become an active participant in the ECOWAS integration programme in line with the pivotal role ECA as a whole had played and continue to play by devoting its resources and energy to facilitate the creation of Africa's RECs, beginning with ECOWAS as far back as 1975.

**Ministerial Policy Debate on:**

- **New Directions for Regional Cooperation and Integration in Africa**
  - **Mid-Term Review of the World Summit for Social Development: The African Experience**
  - **Medium-Term Plan of the Economic Commission for Africa: 2002-2005**
- (agenda item 3)

18. In the general debate, the Ministers commended the quality of the various background papers prepared by the secretariat as well as the work done by the experts.





Participants took note of the nine issues which were identified as critical for the integration process in Africa as articulated in the issues paper on regional integration. These included the institutional framework; the nexus of trade liberalization, related costs and benefits, and production capacity; infrastructure/physical integration; policy harmonization/convergence; factor mobility; implementation of regional commons; financing mechanisms; and information/data for decision-making.

19. Participants welcomed ECA's new initiative to publish an annual report on regional integration which will undertake a comprehensive empirical assessment of the status of integration in Africa resulting in the adoption of appropriate policies and programmes for enhanced integration in Africa. Participants acknowledged the potential utility of such a report in formulating and implementing policies and programmes to promote regional integration, and urged ECA to ensure the use of accurate data and indicators in the report. In this regard, member States expressed their willingness to cooperate with ECA to ensure that reliable and accurate data and information were made available.

20. While noting the importance of the integration process for Africa's development, the Ministerial Follow-up Committee called for measures to accelerate the process, particularly in achieving the objectives of the Abuja Treaty establishing the African Economic Community (AEC). In this context, several participants emphasized the important role of the private sector and civil society in promoting integration in Africa. It was pointed out that ECA could contribute to accelerating this process by assisting member States in adapting to the process of globalization and liberalization. It was indicated, for example, that ECA played a vital role in the re-launching of the Economic Community of Central



African States (ECCAS) and provided technical support to other subregional organizations. However, some participants observed that Africa had a multiplicity of integration organizations leading to needless duplication and overlap and constituted a burden on the resources of member States. This proliferation of integration had also put pressure on limited donor resources. In the light of this, participants suggested that ECA undertake studies to review the various integration programmes and projects and make concrete recommendations on the optimum number of integration structures for Africa.

21. On the issue of poverty reduction, participants shared experiences on the measures and strategies as well as well-targeted schemes adopted by various countries to curb the incidence of poverty. The representative of Tunisia, for example, informed the meeting that his country had achieved significant progress in reducing poverty as a result of several initiatives undertaken by the government. These initiatives included the setting up of three national funds to address the issue of social and economic marginalization; and the establishment of a National Solidarity Bank to grant “soft loans”.

22. On the vexed issue of Africa’s debt overhang, several participants lamented the fact that these debts constituted serious impediment to the realization of poverty reduction goals. It was observed that current debt resolution mechanisms, particularly the Highly Indebted Poor Countries (HIPC) initiative were too slow, too selective in coverage and too condition-laden. As such, only a few countries had benefited from the initiative. Participants underscored the need to find more durable solutions to the debt problem. One delegate expressed the concern that ECA’s proposed Medium-Term Plan did not sufficiently highlight the debt issue. He suggested, therefore, that the debt issue be addressed in the



framework of the new direction on regional integration to enable the adoption of an African common position on it.

23. Several proposals were made on the debt problem. Some participants proposed that Africa's debt should be rescheduled under more favourable conditions in order to free up resources for poverty alleviation programmes. Other participants underscored the importance of other sources of finance. In this regard, it was proposed that measures be adopted to promote domestic resource mobilization, especially in the light of the strict conditionalities attached to the various debt relief initiatives and other external resource flows.

24. The representative of Uganda, whose country was among the few countries to have benefited from the HIPC initiative underscored the need for strong political will in fulfilling the conditionalities for debt relief. To this end, he suggested that ECA undertake a study to identify the implications for development of current debt relief initiatives. He also attributed Uganda's success in curtailing the HIV/AIDS epidemic to good political leadership, as exemplified by the commitment and openness of the government in dealing with the problem.

25. The Executive Secretary of ECA addressed the various issues raised by the participants, including regional integration, poverty reduction, the debt issue and the HIV/AIDS pandemic. On the issue of regional integration, the Executive Secretary reiterated the fact that regional integration was a fundamental pre-requisite for integration into the global economy. He observed that in spite of the difficulties experienced by some



subregions in their efforts at integration, significant progress had been achieved in several areas. He promised that ECA would continue to provide support to member States and their intergovernmental organizations in realizing the objectives of integration, by conducting studies to clarify options and avoid duplication in the integration process in Africa. He drew linkages between the objectives of regional integration and poverty reduction, noting that the pursuit of regional integration would result in accelerated growth and development, the benefit of which would be spread to more people. Above all, he underscored the necessity for strong political will in achieving the objectives of regional cooperation and integration.

26. In commenting on the observations of the Moroccan delegation on the indicators and methodologies for the report on Regional Integration in Africa, the Executive Secretary assured the meeting that ECA would take steps to ensure that the report accurately reflected the status of integration in both a qualitative and quantitative way.

27. He further explained that ECA's activities in the past three years had focused extensively on the debt issue, and that ECA would continue to play an advocacy role for debt relief for poverty reduction. He noted, for example, that the 1997 Conference of African Ministers for Finance had deliberated on the debt issue and made proposals for reviewing the HIPC initiative. He also informed the meeting that ECA was working with the Bretton Woods institutions, the G-8 countries as well as African member States in formulating strategies that would ensure faster, deeper and effective debt relief. He informed the meeting that the next joint meeting of African Ministers responsible for Finance and Trade in November 2000 will focus on the debt issue and Africa's position





under the new WTO arrangements. He stressed that these activities had been informed by the view that the debt issue was no longer an economic issue but one that required the political will of the creditor nations in granting significant debt relief.

28. With regard to the HIV/AIDS issue, the Executive Secretary informed the meeting that ECA was currently working with other partners, including the private sector on an initiative that would culminate in October 2000, in the second African Development Forum on the theme, *"AIDS: The Greatest Challenge to Leadership in Africa."* He pointed out that the current initiative differed from previous initiatives in a fundamental way, as it was expected to result in concrete action plans at regional and country levels, around which international support would be mobilized for implementation.

29. In conclusion, the Executive Secretary welcomed the decision of the African Development Bank to open an office in Addis Ababa, and noted that this would go a long way to strengthen collaboration among members of the Joint Secretariat comprising of OAU, ECA and ADB, particularly in promoting regional cooperation and integration.



**Consideration of the report and recommendations of the Second Preparatory Meeting of Experts of the Ministerial Follow-up Committee of the Conference of Ministers for Economic and Social Development and Planning** (agenda item 4)

30. The Ministerial Follow-up Committee examined the report of the second preparatory meeting of Experts contained in document E/ECA/TPME/MFC.2/6. Participants made both general and specific observations and suggestions in respect of the various issues and proposals made by the experts in the report.

31. During the consideration of the section of the report regarding attendance, the representative of the United Republic of Tanzania said that the delegation of his country arrived on, and participated in the last day of the meeting of experts. Consequently, the name of his country should be listed among the countries that participated in the experts meeting.

32. Under agenda item 3 relating to the Mid-Term Review of the World Summit for Social Development: The African Experience, the representative of Tunisia emphasized the need for the ECA secretariat to take into account the indicators of human development published by individual member States. He said that the Government of Tunisia, in collaboration with UNDP, had recently published the first national human development report on Tunisia. The report was an important policy document which contained a wide range of social and human development indicators and ECA would find it particularly useful in its analysis of the social conditions of Tunisia.

33. Under agenda item 4 on New Directions for regional cooperation and integration: Overview and Plans for Assessing Regional Integration, the Ministerial Follow-up Committee agreed to the proposal to amend the last sentence of paragraph 29 to read as follows:

“It was, however, emphasized that countries’ representation to the various regional and subregional bodies did not make it possible for good follow-up and coherence in



the positions of member States due to the fact that member States are represented by different ministries and institutions”.

34. The Committee also agreed to the proposal to amend the last sentence of paragraph 34 to read as follows:

“The Committee took note of the fact that ADB -- a member of the Joint Secretariat – had decided to commit 10 per cent of the resources of the African Development Fund (ADF) for the period 1999-2001 to the multinational projects that contributed to regional integration as well as provided support to a range of integration projects including assisting in establishing RASCOM, the African Export-Import (AFRIEXIM) Bank and undertaking studies on SADC integration, among other things”.

35. Under agenda 5 on the consideration of the Medium-Term Plan of the Economic Commission for Africa: 2002-2005, the Conference agreed to the proposal to amend paragraph 46 as follows:

“Some participants questioned the rationale behind not co-locating some of the SRDCs with the major RECs. They requested the Executive Secretary to take steps towards rationalizing the location of the SRDCs and to submit a report to the next session of the Commission in May 2001 on those steps he would have taken by then”.

36. A participant commenting on paragraph 43 of the report noted that industrial development was key to Africa’s international competitiveness. African countries needed to diversify their export base to enable them compete in the global market place. Industrial development held the key to Africa’s export diversification. However, while ECA’s Medium Term Plan had placed well deserved emphasis on private sector development, industrial development did not feature prominently. He indicated that there was a major difference between private sector development and industrial development and urged ECA to accord high priority to industrial development in its work programme.



37. In his intervention on this matter, the Executive Secretary acknowledged the importance of industrial development for Africa. He drew the attention of the Ministerial Follow-up Committee to the Gaborone Declaration on Industrial Development adopted by the Conference of African Ministers of Industry a few years ago. He explained that ECA fully recognized, as did in the Gaborone Declaration, that industrial development was dependent on several factors, including for example, efficient and well-functioning infrastructures, solid macroeconomic fundamentals and effective capital markets. He further explained that these were the areas that ECA had a comparative advantage. It had and would continue to work on these areas in its various subprogrammes. In that sense, at ECA, promoting industrial development had become a cross-cutting theme which pervades its entire work programme. He stressed that this approach reflected ECA's new programme orientation which was organized on thematic rather than sector-specific basis.

38. Under agenda item 6, on the Pledging Conference for the United Nations Trust Fund for African Development (UNTFAD), the Executive Secretary pleaded for the support of African countries for the Fund and noted that the pledges and payments by African countries to UNTFAD had declined over the years. He drew the attention of the Ministerial Follow-up Committee to the fact that financial resources for the implementation of ECA programmes were derived from two sources: the regular budget voted by United Nations General Assembly and extrabudgetary resources. In the past few years, the financial outlays for regular budget had been approved on a zero growth basis. At the same time, extrabudgetary resources have continued to decline. To reverse this trend, ECA has intensified its effort to mobilize extrabudgetary resources from traditional and new donors. As part of that effort, ECA has developed a partnership programme intended to mobilize resources for 19 projects covering a wide range of critical areas in Africa's development. He indicated that he had already submitted some of the projects in the partnership programme to a few donors for funding. He stressed that increased pledges by African countries to UNTFAD would strengthen ECA's hands in obtaining more resources from donors. He, therefore, appealed to member States to make generous pledges to UNTFAD at the Pledging Conference which will be held in conjunction with the Conference of Ministers next year.





39. Several participants expressed their support for the appeal for increased pledges to UNTFAD. In addition, it was emphasized that, as part of its strategy of resource mobilization, ECA should reach out to Africa's private sector. In this regard, it was suggested that ECA should endeavour to approach the private sector, in particular the major private sector corporations operating in Africa to contribute to UNTFAD. It was stressed that the idea of ECA soliciting funding from the private sector was consistent with the trend of economic liberalization, in which the private sector had become the key engine of growth and development.

40. The Ministerial Follow-up Committee adopted the report of the second preparatory meeting of Experts in the light of the above comments. The Committee also adopted the two resolutions recommended by the experts.

**Any other business** (agenda item 5)

41. There was no issue raised under this item.



**Resolution I on the ECA Medium Term Plan 2002-2005**

The Ministerial Follow-up Committee,

Recalling General Assembly resolution 41/203 of 19 December 1986 and subsequent resolutions on programme planning,

Recalling further General Assembly resolution 53/207 of 18 December 1998 on programme planning by which the Assembly adopted the proposed revisions to the Medium-Term Plan for the period 1998-2001 submitted by the Secretary-General,

Taking into account Commission resolution 809(XXXI) of 8 May 1996 in which the Commission endorsed the new directions for the Economic Commission for Africa,

Having considered document E/ECA/MFC.2/2 entitled "Proposed Medium Term Plan (MTP) for the period 2002-2005,

Convinced that the orientation of the MTP, in particular the subprogrammes are relevant to the issues and critical challenges in Africa's development,

Endorses the Proposed Medium Term Plan for ECA for the period 2002 – 2005, to the General Assembly through the Committee for Programme and Coordination in the light of the comments and observations made by the Ministerial Follow-up Committee.



**Resolution II on the United Nations Trust Fund for African Development (UNTFAD)**

**The Ministerial Follow-up Committee.**

**Recalling** Commission resolution 808 (XXX) of 3 May 1995 on the strengthening of the ECA operational capacity requesting that the UNTFAD Pledging Conference be held yearly in New York in the context of the United Nations Pledging Conference,

**Concerned with** the inadequate responses from member States and other partners in the New York Pledging Conference,

**Emphasizing** the need to strengthen UNTFAD as a vehicle for mobilizing additional resources for the effective implementation of ECA's work programme and priorities,

**Recognizing** that UNTFAD is intended to serve several aspects of development,

1. **Recommends** that the UNTFAD Pledging Conference be transferred back to the Economic Commission for Africa and be held every two years in conjunction with the Commission's biennial session, starting 2001;
2. **Appeals** to African governments and institutions to give full support to UNTFAD by increasing their pledges of contribution and paying arrears to the Trust Fund;
3. **Invites** African development partners to participate fully in the pledging conferences.

